

Hospital Licensed Health Center 2008 Cost Report Instructions

FILING REQUIREMENTS

This report is required in accordance with the RY2004 Acute Hospital Request for Application, Section 6, E, Cost Reporting Requirements, which states, in part, that all Acute Hospitals with affiliated HLHC's (Hospital Licensed Health Center) are required to submit HLHC cost report forms.

Financial statements are a required part of this submission in order to ensure the accuracy of the cost report. Audited financial statements of the HLHC are preferred. In their absence, internally generated financial statements for the HLHC may be acceptable.

REQUIRED SCHEDULES

The following forms are to be completed by eligible HLHCs and certified by an authorized center representative:

Schedule N	-	General Information
Schedule A	-	Staffing Information
Schedule B	-	Detailed Statement of Basis of Allocation for Restricted Funding
Schedule BS	-	Summary Statement of Basis of Allocation for Restricted Funding
Schedule B-1	-	Visit Worksheet
Schedule B-2	-	Statement of Revenues
Schedule D	-	Statement of Operating Expenses
Schedule F	-	Statistical Information
Schedule G	-	Certification Page
Reconciliation	-	403 Tie Out

In order to assist you in filling out the reporting forms, the attached material provides general instructions as well as detailed explanations of:

-COST CENTERS

-LINE ITEM EXPENDITURES

Where specific instructions are not provided the forms and line items are self-explanatory and can be completed through the application of routine accounting practices.

ROW/LINE/COLUMN REFERENCES

Throughout the cost report and these instructions, references are made to rows, line numbers, and columns:

Reference:

Row = Row number in Excel cost report

Line = Line number in hard copy cost report

Column = Column letter in Excel

ALLOCATION BASIS

When the appropriate proportion of a particular expense can be identified as applying ONLY to a particular cost center or centers that expense may be allocated directly to that cost center or centers.

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When the appropriate proportion of a particular expense cannot be identified as applying ONLY to a particular cost center or centers, or the proportion of the expense applied to a particular area of the clinic is unknown, that expense must be allocated across the cost centers to which it applies. Some examples of allocation bases are hours of service, total operating expense, square footage occupied, and number of units of service provided.

CONVENTIONS USED IN HOSPITAL-LICENSED COMMUNITY HEALTH CENTER COST REPORT VERSION 1

All Schedules:

1. Report is provided in template format using Microsoft Excel 97, Service Release – 2.
2. Data Elements will be passed forward in the report using linked fields.
3. Fixed fields are unshaded, locked, and password protected.
4. The user may not change fixed fields.
5. Data entry fields permit the user to enter appropriate data as requested.
6. Data entry fields are shaded.
7. Where applicable, summary data has been included for ease of comparison.
8. In many, but not all, cases an “input prompt” has been included to provide information about the active data entry field.
9. In cases where only specific responses are appropriate (Restricted Grant Source) a drop down arrow has been included which, when selected, presents the user with a list of acceptable responses they may select.
10. Use Excel row and column references except where report line and column references are explicitly provided.

COST CENTERS

COST CENTER - A specific program, service, or activity which can be separated from others within the organization based on its unique staffing, equipment, or facility needs. This separation permits the segregation or allocation of costs to one area or another based on each area's utilization of the organization's resources. This separation is sometimes referred to as departmental accounting.

The Cost Centers used in this report are arranged in Columns and are listed below.

Administration
Medical
Laboratory
X-Ray
Pharmacy
Dental
Mental Health
Other Input 1
Other Input 2

A detailed definition of each cost center used on this report is provided below. For Statement of Operating Expenses, report personnel expenditures on appropriate line items when staff is on center payroll. If personnel are provided to the center on a contractual basis, expenditures by such personnel should be reported under the appropriate “Purchased Service” category.

Cost Center

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Administration

Expenditure for administration salaries, other direct administrative costs and general overhead costs for the hospital licensed health center. Also expenditures for administrative services of professional provider staff who spend less than 100% of their time performing professional/clinical services provided that such services apply to the total health center program. Professional provider cost allocations to the administrative cost center must be within the line item salary expense for that category of provider.

Where a professional provider assumes administrative or supervisory functions for one area only, such as medical or laboratory, the costs associated with these functions should be included in that cost center as part of the line item salary expense for that category of provider.

Similarly, where a professional provider assumes administrative or supervisory functions for more than one area, but not for the total center, the costs for these functions should be allocated according to hours of service in the respective areas as part of the salary expense for that category of provider.

PLEASE NOTE: This cost center is for the direct costs of the hospital licensed health center. Any lump-sum allocation of Administrative costs from the parent hospital should be recorded on Schedule D, "Statement of Operating Expenses" on line 23 "Parent Hospital Administration Expense".

Medical

Expenses incurred in the provision of services for the prevention, diagnosis, and treatment of physical illness, including routine family health care such as internal medicine, family medicine, pediatrics and OB/GYN, and the cost of medical specialists.

Laboratory

Expenditures for all laboratory services (excluding dental lab services).

X-ray

Expenditures for X-ray diagnosis and treatment services (excluding dental X-ray services).

Pharmacy

Expenditures for a 340B/retail pharmacy activities tying to the QCR.

Dental

Expenditures for providing dental services, including laboratory and X-ray.

Mental Health

Expenditures for any mental health services. This would include Psychiatrists, Psychologists, LICSW and associated staff providing comprehensive mental health outpatient services.

All Other Programs

Expenses for the provision of all other services that the center provides. Please label the name of the "other" program(s) in the Input Box(es) on Schedule N, Columns C and D, Row 27.

INSTRUCTIONS

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FOR COMPLETING COST REPORT

SCHEDULE N: NAME AND GENERAL INFORMATION

On this form the HLHC should enter the following information where appropriate.

Please note: Row assignments correspond to the excel spreadsheet.

COLUMN (B): ROW (1) ORG ID

DO NOT INPUT: Division ID Number to be entered by DHCFP staff

COLUMN (B): ROW (2) CLINIC NAME

Full clinic name with proper punctuation and no abbreviations

COLUMN (B): ROW (3) HOSPITAL NAME

Full parent hospital name with proper punctuation and no abbreviations

COLUMN (B): ROW (4) FISCAL YEAR ENDING

Enter using a 4-digit year date format. EXAMPLE: MM/DD/YYYY

COLUMN (B): ROW (5) UPDATE

This cell is refreshed automatically whenever you load, save, or recalculate the report.

COLUMN (B): ROW (6) STREET NUMBER

Enter your center's street number ONLY. DO NOT include street in this field.

COLUMN (B): ROW (7) STREET

Enter your center's street name ONLY. DO NOT include street number in this field.

COLUMN (B): ROW (8) ADDRESS2

Other address information i.e. suite, office number, front, rear, etc.

COLUMN (B): ROW (9) P.O. BOX NUMBER

Enter ONLY the Post Office Box NUMBER. EX: 999

COLUMN (B): ROW (10) CITY

Enter city or town.

COLUMN (B): ROW (11) STATE

Enter the 2-digit postal state code in Upper Case letters. EXAMPLE: MA

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COLUMN (B): ROW (12) ZIP

If you have a nine digit zip code enter it here, if not enter the five digit zip code.

The cell has an input mask which will format your entry: NNNNN-NNNN OR NNNNN

COLUMN (B): ROW (13) MEDICAID PROVIDER NUMBER

Enter Medicaid provider number.

The cell has an input mask, which will help format your entry. If entry is less than 9999 as it will be formatted as 22NNNN, if greater than 229999 it will be formatted as 2CNNNSNNN.

COLUMN (B): ROW (14) FEIN

Enter your Federal Employers Identification Number. The cell has an input mask which will format your entry:

As NNN-NN-NNNN.

COLUMN (B): ROW (15) TELEPHONE NUMBER

Enter phone number. The cell has an input mask which will format your entry: (NNN) NNN-NNNN

COLUMN (B): ROW (16) FAX NUMBER

Enter FAX number. The cell has an input mask which will format your entry: (NNN) NNN-NNNN

COLUMN (B): ROW (17) EMAIL ADDRESS

Enter Email address. Should be a contact person at your agency for this cost report.

COLUMN (B): ROW (18) EXECUTIVE DIRECTOR

COLUMN (B): ROW (19) MEDICAL DIRECTOR

COLUMN (B): ROW (20) FINANCIAL MANAGER

COLUMN (B): ROW (18–20) FIRST NAME

Enter first name ONLY.

COLUMN (C): ROW (18-20) MIDDLE NAME

Enter middle name OR middle initial without punctuation.

COLUMN (D): ROW (18-20) LAST NAME

Enter last name OR last name and ", " and suffix i.e. Jr., Sr., III, etc. Include comma after last name and period after suffix if required.

COLUMN (C): ROW (27) TITLE FOR OPTIONAL COST CENTER #1

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COLUMN (D): ROW (27)

TITLE FOR OPTIONAL COST CENTER #2

SCHEDULE AS: STAFFING INFORMATION

NORMAL WORK WEEK HOURS PER FTE

Number of hours considered a full workweek for hourly employees.

FTE

Total Full-Time Equivalents.

DOLLARS

Total dollars spent on employees under the appropriate position category.

POSITION DEFINITIONS

Positions are arranged in HORIZONTAL ROWS and are listed below.

LINE (1):	Medical Doctor
LINE (2):	Medical Resident
LINE (3):	Dentist
LINE (4):	Hygienist
LINE (5):	Psychiatrist
LINE (6):	Podiatrist

STAFF medical doctors, medical residents, dentists, psychiatrists, and podiatrists.

LINE (7):	Administration
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Executive Director, Assistant Director, Fiscal Director, Staff Accountant, etc. This item includes the professional management staff of the center as well as all other persons who spend 100% of their time in the administrative area.

LINE (8):	Nurse Midwife
LINE (9):	Physician's Assistant
LINE (10):	Nurse Practitioner
LINE (11):	Midlevel - Other

All professional personnel who act independently of a physician. Other Midlevel personnel include Optometrists, Therapists, or Audiologists.

LINE (12):	RN
LINE (13):	LPN

Registered Nurses & Licensed Practical Nurses.

LINE (14):	Clinical Psychologist
LINE (15):	L.I.C.S.W.

Clinical Psychologist (doctorate-level) and Licensed Social Worker.

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LINE(16): Pharmacist
LINE (17): Registered Dietician
LINE (18): Tobacco Cessation Counselor

LINE (19): Technical Providers

Personnel who provide supporting assistance to physicians and dentists (nurses excepted) and all professional and formally trained technical personnel such as nutritionists, social workers (not licensed), counselors, pharmacists, dental hygienists laboratory technicians and X-Ray technicians.

LINE (20): Aides, Outreach Personnel

Personnel who provide ancillary care including X-ray Assistants, Laboratory or Medical Assistants, Dental Assistants, Pharmacy Aides, Community Aides, and Family Health Aides.

LINE (21): Clerical & Support Staff

All staff who provide support directly in the medical area or in part to several functional areas, including Administration, e.g., receptionists, billing clerks, registration clerks and drivers.

LINE (22) Medical Records Personnel

Medical Records Librarians, technicians or clerks.

LINE (23): Maintenance/Housekeeping

All custodial and maintenance personnel.

LINE (24): Donated Salaries Medical Doctor

LINE (25): Donated Salaries Other

Personnel providing direct and/or administrative services in the center as allowed under Medicare guidelines for unpaid workers.

LINE (26): Purchased Direct Medical- Medical Doctor

LINE (27): Purchased Direct Medical- Midlevel

LINE (28): Purchased Direct Medical- RN

LINE (29): Purchased Direct Medical- Other

Purchased medical from outside vendors or agencies not in the employ of the center, such expenditures being identified with a specific cost center. Contracted personnel should be considered under these line items.

UNITS OF SERVICE

All units of service provided by professionals for which a unit of reimbursement has been established. The following instructions shall apply:

Medical All Nurse, Midlevel Provider, and Physician medical encounters.

Laboratory 80000 codes only (114.3 CMR 20.00).

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X-Ray	All radiology procedures.
Pharmacy	All prescriptions.
Dental	There are two columns for unit of service data. All visits with a dentist. All procedures (less visit amount).
Mental Health	All clinician encounters. If the mental health program is certified, list the number of certified encounters.

SCHEDULE B: DETAILED STATEMENT OF BASIS OF ALLOCATION FOR RESTRICTED FUNDING

RESTRICTED FUNDING

Grants, Gifts, Contributions, Bequests, Fund Principal, or Endowment Balances, or any income used to defray allowable operating costs such as cost reimbursement and negotiated unit rate contracts. Do not include Capital Grants.

Income is considered to be RESTRICTED if it has been designated for a specific purpose or program or time period by the GRANTOR and it cannot be used for purposes and programs or time periods other than those designated.

COLUMN (A): Grant Category

This column will automatically fill based on the choice selected in Column B – Source.

COLUMN (B): Source

List RESTRICTED Funding by Grant Category.	
1	Federal
2	State – Cost Reimbursement Contracts
3	State-Unit Rate Contracts
4	Local
5	Private
6	Donated

List RESTRICTED Funding by source. A drop-down menu is provided corresponding to the six categories listed in the chart above. Each entry should be on a separate line.

COLUMN (C): GRANT/GIFT/DONATION Description

Describe RESTRICTED Funding.

COLUMN (D): TOTAL

Total will automatically add together all entries made in Columns E through N.

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COLUMN (E): ADMINISTRATION

List the income totally restricted to the payment of administrative expenses for the entire center. Funding for administrative expenses in specific cost centers should be allocated directly to those cost centers.

COLUMNS (F- N): Allocated RESTRICTED Funding

Allocate RESTRICTED funding to the appropriate cost centers based on the terms and conditions of funding restrictions. See the definitions of Cost Centers at the beginning of the Instructions (Pages 2 and 3). Funding which affects more than one cost center and is restricted in use but not dollar amount should be allocated to the appropriate cost centers.

SCHEDULE BS: SUMMARY STATEMENT OF BASIS OF ALLOCATION FOR RESTRICTED FUNDING

No input necessary - Schedule will automatically fill from links to Schedule B.

SCHEDULE B1: VISIT WORKSHEET

PLEASE NOTE NEW PAYER MIX OPTIONS.

Clarification of what should be included:

PATIENTS FEES / SELF PAY means all bills paid for by the patient and all co-payments for third party payers paid for by the patient. It also includes any patient payments towards partial free care.

MASSHEALTH – FEE FOR SERVICE / PCC PLAN includes claims revenue for PPC Plan members and other MassHealth FFS members paid directly by MassHealth.

MASSHEALTH – MCO includes Neighborhood Health Plan, Boston Medical Center HealthNet Plan, Network Health and Fallon Community Health Plan.

COMMONWEALTH CARE includes Neighborhood Health Plan, Boston Medical Center HealthNet Plan, Network Health and Fallon Community Health Plan.

COMMERCIAL / PRIVATE THIRD PARTIES includes Neighborhood Health Plan (**COMMERCIAL MEMBERS ONLY**), Blue Cross / Blue Shield, Tufts Health Plan, etc. Funding previously reports as **OTHER THIRD PARTIES – GOVERNMENT** should be included here.

COLUMN (F): TOTAL MEDICAL VISITS

Total number of patient encounters for the purpose of prevention, diagnosis, and treatment of physical illness including routine family health care such as internal medicine, family medicine, pediatrics, OB/GYN, and medical specialists. This category does not include encounters with Podiatrists, Ophthalmologists, Optometrists, Therapists, or any other providers reimbursed under regulations other than Regulation 114.3 CMR 4.00: Rates For Community Health Centers. The medical encounters should be broken out by third-party payer.

COLUMN (G): TOTAL ALL VISITS

Total number of patient encounters for all services provided by the center (including encounters listed in column F). The total encounters should be broken out by third party payer.

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SCHEDULE B2: STATEMENT OF REVENUE

On this schedule, under Third Party Revenues, report Net Patient Service Revenue by payer. Row 19, Total Net Patient Service Revenue, must agree with the Financial Statement.

PLEASE NOTE NEW PAYER MIX OPTIONS.

Clarification of what should be included:

PATIENTS FEES / SELF PAY means all bills paid for by the patient and all co-payments for third party payers paid for by the patient. It also includes any patient payments towards partial free care.

MASSHEALTH – FEE FOR SERVICE / PCC PLAN includes claims revenue for PPC Plan members and other MassHealth FFS members paid directly by MassHealth.

MASSHEALTH – MCO includes Neighborhood Health Plan, Boston Medical Center HealthNet Plan, Network Health and Fallon Community Health Plan.

COMMONWEALTH CARE includes Neighborhood Health Plan, Boston Medical Center HealthNet Plan, Network Health and Fallon Community Health Plan.

COMMERCIAL / PRIVATE THIRD PARTIES includes Neighborhood Health Plan (**COMMERCIAL MEMBERS ONLY**), Blue Cross / Blue Shield, Tufts Health Plan, etc. Funding previously reports as **OTHER THIRD PARTIES – GOVERNMENT** should be included here.

The sum of Rows 29, 39 and 42 must tie to the total Grant and Contract Revenue reported on the Financial Statements.

Total Revenue, Row 59 **MUST** agree with the Financial Statements and the Reconciliation Schedule.

SCHEDULE D: STATEMENT OF OPERATING EXPENSE

Schedule B details the cost centers, allocation bases, and line item expenses for the entire HLHC.

Specific Instructions are available for:

COST CENTERS (on Pages 2 and 3)

LINE ITEM EXPENDITURES (see below)

DONATED SPACE, SALARIES, and SERVICES (see below)

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LINE ITEM EXPENDITURES

Line Item Expenditures are specific expenses which are unique or different from all other expenses. The Line Items are arranged in ROWS and are listed below.

Line No. Description

1	Salaries and Wages
2	Payroll Taxes
3	Employee Benefits
4	SUB-TOTAL
5	Purchased Indirect MEDICAL Service
6	Purchased Other DIRECT Service
7	Purchased Other INDIRECT Service
8	Donated Services
9	Medical Supplies
10	Stationary and printing supplies
11	Maintenance
12	Facility Rent
13	Utilities
14	Other Taxes
15	Legal
16	Accounting
17	Insurance
18	Interest Expense
19	Depreciation-Building
20	Depreciation-Equipment
21	Donated Space
22	OTHER (SUB-TOTAL FROM SCH D, Line 22f)
23	Parent Hospital Administration Expense
24	Spare Row for future Use
25	SUB-TOTAL Lines 5-24
26	TOTAL - Operating Expense (L4 + L25)
27	Applied Administrative Grants/Gifts/Donations
28	NET OPERATING EXPENSE (L26 + L27)
29	Administrative Allocation
30	All Other Applied Grants/Gifts/Donations
31	ACTUAL OPERATING EXPENSE (L28 + L29 + L30)

A detailed definition of each line item expenditure used on this report is provided below.

Item	Description
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LINE (1): Total Salaries and Wages

Self-explanatory. Salaries automatically fill in from a link to Schedule A.

LINE (2): Payroll Taxes

Expenditures for taxes arising directly out of payment of wages, i.e., FICA, Mass. Unemployment taxes and Federal unemployment taxes.

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LINE (3): Employee Benefits

Expenditures for employee life, health and disability insurance, retirement plans, tuition reimbursement, transportation reimbursement, and all other benefits provided for or to the center's employees.

LINE (5): Purchased Indirect Medical Services

Expenditures for purchased medical services which cannot be identified within a single cost area and must be allocated according to the most appropriate method.

LINE (6): Purchased Other Direct Services

Expenditures for purchases, other than medical (e.g., housekeeping, security), from outside vendors or agencies not in the employ of the community health center, such expenditures being identified with a specific cost center. Contracted personnel should be considered under this line item, except for accounting and legal expenses.

LINE (7): Purchased Other Indirect Services

Expenditures for purchases other than medical (e.g., housekeeping, security), which cannot be identified within any single cost area and must be allocated according to the most appropriate method.

LINE (8): Donated Services

The imputed value of non-personnel indirect services such as computer services, supplies, etc., as allowed under the Medicare guidelines for donated services.

LINE (9): Medical Supplies

Expenditures and the value of Donated Materials for consumable medical supplies having expected lives of less than one year.

LINE (10): Stationary and Printing Supplies

Expenditures for administrative supplies which are consumable items.

LINE (11): Maintenance

Expenditures for supplies related to housekeeping functions.

LINE (12): Rent

Expenditures for rent for facilities only. Rent expenses for equipment should be charged to Other Purchased Services. Office equipment rent should be charged to Stationary and Printing.

LINE (13): Utilities

Expenditures for items such as gas, electricity, fuel and water.

LINE (14): Other Taxes

Expenditures for all taxes other than payroll taxes.

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LINE (15): Legal

Expenditures for necessary legal expenses incurred by a provider in matters directly related to the provision of adequate patient care.

LINE (16): Accounting

Expenditures for reasonable and necessary accounting, computer processing and auditing expenses incurred by a provider in matters directly related to the provision of adequate patient care.

LINE (17): Insurance

Expenditures for items of insurance, such as Workers' Compensation, fire liability, bonding and malpractice insurance purchased by the center.

LINE (18): Interest

Expenditures for necessary and proper interest on both current and capital indebtedness.

LINE (19): Depreciation - Building

An allowance for the depreciation of buildings based on accepted accounting principles using the original acquisition cost and/or donated value of assets whose title is held by the center.

Depreciation should be calculated in conformance with the recommendations of the AICPA Audit and Depreciation Guidelines for non-for-profit organizations.

Leasehold and/or building improvements must be prorated over the life of the lease or the balance of the estimated life of the buildings as recommended by the Audit and Depreciation Guidelines for non-for-profit organizations.

LINE (20): Depreciation - Equipment

An allowance for the depreciation of equipment based on accepted accounting principles using the original acquisition cost and/or donated value of assets whose title is held by the center.

The straight line method should be applied in conformity with the useful lives stated in the American Hospital Association Chart of Accounts.

LINE (21): Donated Space

The imputed rental value of donated space determined by the valuation per square foot which reflects comparable costs in the area where the facility is located.

LINE (22): Other

Detailed expenditures for items not covered in specific line items on Schedule D using appropriate allocation methods according to each item listed.

LINE (23): Parent Hospital Administration Expense

Any allocation of expense from a parent organization.

LINE (24): Spare Row – no input necessary

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LINE (25): Sub-Total

LINE (26): Total - Operating Expense

Self-explanatory.

LINE (27): Applied Administration Grants/Gifts/Donations

The total amount of restricted grants or gifts and imputed values for facilities and personnel services reported under the administration cost column. These costs must be covered before allocating administrative expenses to cost centers.

LINE (28): Net Operating Expense

Self-explanatory.

LINE (29): Administrative Allocation

Allocation of total administrative expenses indicated on Line 28, Column 4 (Admin) on the basis of the percentages of total operating costs for each cost center as indicated on Line 26 (Total Operating Expenses). Percentages are determined on Schedule D.

LINE (30): All Other Applied Grants/Gifts/Donations

The total amounts of restricted grants, gifts and imputed values for facilities and personnel services reported for each cost center other than administration.

LINE (31): Actual Operating Expense.

Self-explanatory

DONATED SALARIES/SERVICES/MATERIALS

The value of donated salaries, services, materials and space MUST be recorded as an expense in the appropriate line item categories.

SCHEDULE F: STATISTICAL INFORMATION

Self-explanatory. Enter appropriate inputs based on center's unique experience. Follow instructions on schedule.

SCHEDULE G: CERTIFICATION PAGE

Self-explanatory. Read and follow Schedule instructions.

RECONCILIATION SCHEDULE: 403 TIE OUT

Self-explanatory. Read and follow Schedule instructions.

Printing the Report - Before you print the report you MUST set the print range for schedules.